

**AFFORDABLE DWELLING UNIT ADVISORY BOARD (ADUAB)
MEETING AGENDA**

November 9, 2010

Shenandoah Building – Second Floor Shenandoah Conference Room

TIME: 8:00 AM

– Welcome –

I AGENDA REVIEW, ADDITIONS, CHANGES

II PUBLIC COMMENT

III REVIEW OF MINUTES

A. October 12, 2010

IV ACTION ITEMS

- A. Ordinance Mandated Semi-Annual Review of ADU Sales Prices (Lenny)
- B. Finance Committee Recommendation for ADU Financing

V. COMMITTEE REPORTS

- A. Housing Advisory Board (Steve Schulte)
- B. Finance Committee (Shaun Kelly, Chair)
- C. Joint Builders and Zoning/Modifications Committee (Michael Capretti, Chair)
- D. Builders Committee (Michael Capretti, Chair)
- E. Zoning/Modifications Committee (vacant, Chair)

VI. ADJOURN

**Next Meeting
December 14, 2010, 8:00 a.m.**

***Items included in the on-line Agenda Packet:**

Draft October 2010 Minutes
Action Item on ADU Sales Prices
Action Item on ADU Financing

Affordable Dwelling Unit Advisory Board (ADUAB) Meeting Minutes
Tuesday –October 12, 2010
Shenandoah Room - Shenandoah Building

Members Present: Joseph Paciulli, Chair; Michael Capretti, Vice-Chair, Ryan Sauder, Steve Schulte, Pamela McGraw, Dwight Stonerook; Shaun Kelley

DFS Staff Present: Sarah Coyle Etro, Assistant Director; Jan Boothby, CDBG Program Manager; Sherry Kelly, ADU Program Manager; Jill Brady, Administrative Assistant

CALL TO ORDER Joe Paciulli called the meeting to order at 8:05 A.M.

OTHERS PRESENT Shannon Ronis; Aide to Supervisor McGimsey

PUBLIC COMMENT PERIOD No comments

MEETING MINUTES The minutes from the August 2010 and September 2010 meetings were reviewed; there were no edits.

INFORMATION ITEMS & UPDATES

Article 7 and Chapter 1450 Draft Reviews: Michael Capretti reported that it did not appear that the BOS would be addressing Article 7 and Chapter 1450 Intent to Amend in the upcoming year. The committee will continue to work on the outstanding issues including the design book and bring their work back to the full ADUAB in the next three months. Joe Paciulli emphasized the necessity to keep working on finalizing the remaining issues; interspersing, the sliding scale and bonus density.

COMMITTEE REPORTS

Housing Advisory Board (HAB): Michael Capretti updated the ADUAB on the presentation representatives of Kincora made to the HAB. Michael Capretti also reported that the HAB will be meeting with the BOS in mid-November. The HAB will be presenting a full spectrum of housing issues in Loudoun County. The HAB planning meeting will meet again Wednesday, October 13, 2010.

ADUAB Finance Committee: Ryan Sauder updated the ADUAB regarding how to more effectively use the funds in the Housing Trust Fund. Additionally, the committee is looking at what banking options may be available for purchasers of ADUs. The committee will meet again in two weeks. Steve Schulte asked who in the County would look at grant options that may be available to ADU purchasers. Ryan Sauder reported that the ADUAB Finance Committee is looking at the possibility of a public/private partnership which could be used to apply for grant funding for purchasers of ADUs. Steve Schulte discussed meeting with Ryan Sauder to talk about possible funding options through a public/private partnership.

NEXT MEETING: November 9, 2010
Meeting adjourned at 10:00



**COUNTY OF LOUDOUN
DEPARTMENT OF FAMILY SERVICES**



MEMORANDUM

DATE: November 9, 2010

TO: ADUAB

FROM: Lenny Goldberg, ADU Purchase Housing Specialist

SUBJECT: Ordinance Mandated Semi-Annual Review of ADU Sales Prices

BACKGROUND:

Chapter 1450.03 of the Loudoun County Codified Ordinance states that "the Affordable Dwelling Unit Advisory Board (ADUAB) shall initially and semiannually thereafter, establish County-wide sales price for affordable dwelling units". It is time for the ADUAB to consider this issue.

At the November 2007 meeting, the ADUAB voted to adopt a revised maximum administratively approvable sales price of \$129,000 and to leave the square foot costs unchanged. The HUD median income at the time was \$94,500 (65% 1 person income = $\$43,000 \times 3 = \$129,000$).

At the May 11, 2010 meeting, the ADUAB voted to retain the maximum administratively approvable sales price of \$129,000 and to leave the square foot costs unchanged. As of the May 2010 meeting, HUD had not released the new median income number which is used to calculate the maximum administratively approvable sales price.

The revised HUD median income was effective May 14, 2010 and increased to \$103,500. Using the new HUD median income would increase the maximum administratively approvable sales price to \$141,270 (65% 1 person income = $\$47,090 \times 3 = \$141,270$) if adopted.

ISSUE:

Should the ADUAB revise the maximum administratively approvable sales price or leave it unchanged.

DRAFT MOTIONS:

1. I move that the ADUAB retain the maximum administratively approvable sales price at the current \$129,000 and the square foot costs remain unchanged.

OR

2. I move an alternate motion.



COUNTY OF LOUDOUN

DEPARTMENT OF FAMILY SERVICES



MEMORANDUM

TO: ADUAB Members

FROM: Sherry Kelly, ADU Program Manager

DATE: November 9, 2010

RE: Finance Committee Recommendations for Financing Ideas for ADU Units

At its meeting on October 28th, the Finance Committee discussed several options for financing ADUs. One option, which was discussed at the last ADUAB meeting, to allow covenants to be removed at default under certain parameters, was determined to be least favorable. Another option where the County would act as guarantor of the loan may have legal issues and has not been generally supported by the banks.

Below are the options that the Finance Committee considered:

- 1- Change DPCC total loan amounts to cover up to 20-25% downpayment to lower the first trust loan amount.
- 2- Find selected lenders that will allow covenants to stay in place and only offer those available products for ADU purchases.
- 3- Contact Congressional leaders about possible changes or waivers to the regulations.

The Finance Committee passed a motion to recommend Option #1 to the ADUAB with an additional recommendation to increase the DPCC allocation by \$1.2 million from the County of Loudoun Trust.

Draft motions are:

1. I move to change DPCC total loan amounts to cover up to 20-25% downpayment to lower the first trust loan amount and increase the DPCC allocation by \$1.2 million from the County of Loudoun Trust

OR,

2. I move an alternate motion.
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